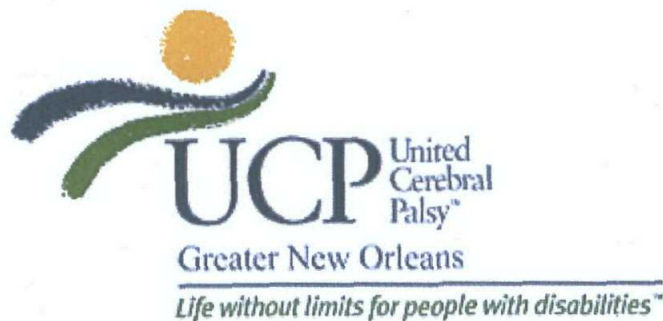


Financial Report

*United Cerebral Palsy of
Greater New Orleans, Inc.*

June 30, 2013



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 12 2014

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
United Cerebral Palsy of Greater New Orleans, Inc.,
Kenner, Louisiana.

Report on the Financial Statements

We have audited the accompanying financial statements of United Cerebral Palsy of Greater New Orleans, Inc. ("UCP") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Cerebral Palsy of Greater New Orleans, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information (Schedule 1-A & 1-B) is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Requirements by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2013, on our consideration of UCP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering UCP's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited UCP's 2012 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 17, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 18, 2013.

STATEMENT OF FINANCIAL POSITION**United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana**

June 30, 2013
(With comparative totals for 2012)

	<u>2013</u>	<u>2012</u>
Assets		
Cash	\$ 31,848	\$ 17,221
Contract fees receivable, net of allowance	96,257	144,194
Unconditional promises to give - United Way designations	17,827	16,264
Funds held by Greater New Orleans Foundation	45,977	43,645
Equipment, less accumulated depreciation	22,815	21,757
Other assets	33,514	33,041
	<u> </u>	<u> </u>
Total assets	<u>\$ 248,238</u>	<u>\$ 276,122</u>
Liabilities		
Accounts payable	\$ 57,541	\$ 55,337
Accrued payroll and related liabilities	121,537	138,432
Line of credit	36,649	37,209
Capital lease obligations	27,998	26,611
	<u> </u>	<u> </u>
	243,725	257,589
Net Assets (Accumulated Deficit)		
Unrestricted	(42,642)	(27,731)
Temporarily restricted	17,155	16,264
Permanently restricted	30,000	30,000
	<u> </u>	<u> </u>
	4,513	18,533
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 248,238</u>	<u>\$ 276,122</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**United Cerebral Palsy of Greater New Orleans, Inc.**
Kenner, LouisianaFor the year ended June 30, 2013
(With comparative totals for 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Revenues and Support				
Program service fees - Medicaid	\$ 1,626,923			\$ 1,781,119
United Way funding - designations		\$ 17,155		16,504
Contract services - public	63,888			57,993
Contributions:				
Corporate sponsors	1,406			3,750
General public	11,777			12,446
Bingo (net of expenses of \$89,304 and winnings of \$331,076)	22,781			20,855
Investment and other income	5,110			2,449
Investment gain (loss) on funds held by Greater New Orleans Foundation	2,332			1,263
Net Assets Released From Restrictions				
Expiration of time restrictions and program restrictions satisfied through payments	16,264	(16,264)		-
Total revenues and support	1,750,481	891	-	1,896,379
Expenses				
Program services:				
Adult Program	95,139			95,396
Supported Living Services	1,309,916			1,441,176
Total program services	1,405,055	-	-	1,536,572
Supporting services:				
Management and general	360,337			412,179
Total expenses	1,765,392	-	-	1,948,751
Change in Net Assets	(14,911)	891	-	(52,372)
Net Assets (Accumulated Deficit)				
Beginning of year	(27,731)	16,264	\$ 30,000	70,905
End of year	\$ (42,642)	\$ 17,155	\$ 30,000	\$ 18,533

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana**

For the year ended June 30, 2013

	2013				Totals
	Program Services		Program Services Totals	Supporting Services	
	Adult Program	Supported Living Services		Management and General	
Salaries	\$ 31,613	\$ 1,091,138	\$ 1,122,751	\$ 192,227	\$ 1,314,978
Payroll taxes	1,445	86,201	87,646	14,496	102,142
Employee benefits	5,332	40,243	45,575	34,805	80,380
Total salaries and related expenses	38,390	1,217,582	1,255,972	241,528	1,497,500
Depreciation	4,240	3,456	7,696	1,450	9,146
Dues and subscriptions	-	-	-	478	478
Interest expense	-	-	-	5,744	5,744
Meetings and conferences	-	70	70	6,799	6,869
Miscellaneous expense	-	711	711	3,603	4,314
National membership fees	-	-	-	23,640	23,640
Occupancy	13,807	56,943	70,750	23,436	94,186
Postage and shipping	-	-	-	2,371	2,371
Printing and publications	-	-	-	559	559
Professional fees	31,367	22,278	53,645	28,141	81,786
Stipends	-	-	-	1,939	1,939
Supplies	6,799	249	7,048	7,198	14,246
Telephone	536	4,311	4,847	8,067	12,914
Travel and transportation	-	4,316	4,316	5,384	9,700
Total expenses	<u>\$ 95,139</u>	<u>\$ 1,309,916</u>	<u>\$ 1,405,055</u>	<u>\$ 360,337</u>	<u>\$ 1,765,392</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**United Cerebral Palsy of Greater New Orleans, Inc.**
Kenner, Louisiana

For the year ended June 30, 2012

	2012				Totals
	Program Services			Supporting Services	
	Adult Program	Supported Living Services	Program Services Totals	Management and General	
Salaries	\$ 39,520	\$ 1,184,652	\$ 1,224,172	\$ 207,074	\$ 1,431,246
Payroll taxes	1,921	90,129	92,050	15,171	107,221
Employee benefits	1,391	56,498	57,889	45,702	103,591
Total salaries and related expenses	42,832	1,331,279	1,374,111	267,947	1,642,058
Depreciation	1,493	5,919	7,412	2,741	10,153
Dues and subscriptions	-	-	-	390	390
Equipment repairs and maintenance	41	162	203	200	403
Interest expense	290	1,197	1,487	982	2,469
Meetings and conferences	-	-	-	10,076	10,076
Miscellaneous expense	-	-	-	1,610	1,610
National membership fees	-	-	-	23,817	23,817
Occupancy	13,489	55,600	69,089	32,557	101,646
Postage and shipping	-	-	-	1,763	1,763
Printing and publications	-	-	-	115	115
Professional fees	29,532	31,751	61,283	44,789	106,072
Stipends	-	-	-	1,827	1,827
Supplies	7,359	214	7,573	9,476	17,049
Telephone	360	4,322	4,682	11,233	15,915
Travel and transportation	-	10,732	10,732	2,656	13,388
Total expenses	<u>\$ 95,396</u>	<u>\$ 1,441,176</u>	<u>\$ 1,536,572</u>	<u>\$ 412,179</u>	<u>\$ 1,948,751</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS**United Cerebral Palsy of Greater New Orleans, Inc.**
Kenner, LouisianaFor the year ended June 30, 2013
(With comparative totals for 2012)

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (14,020)	\$ (52,372)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,146	10,153
Investment gain on funds held by Greater New Orleans Foundation	(2,332)	563
Changes in operating assets and liabilities:		
Contract fees and receivable	47,937	(55,752)
Unconditional promise to give - United Way designations	(1,563)	1,031
Other assets	(473)	(939)
Accounts payable	2,204	40,012
Accrued payroll and related liabilities	(16,895)	19,052
Deferred rent	-	(15,583)
Net cash provided by (used in) operating activities	<u>24,004</u>	<u>(53,835)</u>
Cash Flows From Financing Activities		
Net borrowings and repayments on the line of credit	(560)	37,209
Payments on capital lease obligations	<u>(8,817)</u>	<u>(8,849)</u>
Net cash provided by (used) in financing activities	<u>(9,377)</u>	<u>28,360</u>
Net Increase (Decrease) in Cash	14,627	(25,475)
Cash		
Beginning of year	<u>17,221</u>	<u>42,696</u>
End of year	<u><u>\$ 31,848</u></u>	<u><u>\$ 17,221</u></u>
Supplemental Disclosures		
Cash paid for interest	<u><u>\$ 5,744</u></u>	<u><u>\$ 2,469</u></u>
Noncash investing and financing transactions:		
Equipment purchased through capital lease	<u><u>\$ 10,204</u></u>	<u><u>\$ 6,000</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana**

June 30, 2013 and 2012

Note 1 - NATURE OF ACTIVITIES

United Cerebral Palsy of Greater New Orleans, Inc. ("UCP") is a nonprofit organization formed in 1950 which provides programs and services in several southeastern Louisiana parishes to advance the independence, productivity, and full citizenship of people with cerebral palsy and other disabilities and thereby to improve the quality of life for them and their families. UCP provides job placement and support for adults with disabilities in the Adult Program; and personal/respite care services and independent living assistance in the home through its Supported Living Services.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Basis of Accounting**

The accompanying financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when the related liability is incurred.

b. Basis of Presentation

UCP reports information regarding financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted, based on donor stipulations and restrictions placed on contributions, if any. Accordingly, net assets of UCP and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of UCP and/or the passage of time.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Permanently Restricted Net Assets - Net assets subject to donor - imposed stipulations that they be maintained permanently by UCP. Generally, the donors of these assets permit UCP to use all or part of the income earned on related cash and investments for general or specific purposes.

c. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

d. Contract Fees Receivable

Contract fees receivable is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

e. Allowance for Uncollectible Receivables

Services rendered to clients are paid through third parties. A receivable is recorded for third-party reimbursements which have not been collected. An allowance for doubtful accounts is recorded based on management's estimate of possible uncollectible receivables. Receivables are charged against the allowance when deemed to be uncollectible. Management believes contract fees receivables as of June 30, 2013 and 2012 are fully collectible, and that no allowance was necessary.

f. Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There are no conditional promises to give as of June 30, 2013 and 2012. Management considers all unconditional promises to give to be fully collectible as of June 30, 2013 and 2012.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Investments

Pooled accounts managed by the Greater New Orleans Foundation are reported at fair market value, including any pro rata gains and losses.

Donated investments are valued at current market value at the date of donation.

h. Property and Equipment

Property and equipment is recorded at cost when purchased. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Major expenditures for improvements, renewals, and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of property and equipment range from five to ten years. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in the change in net assets. Depreciation expense for the years ended June 30, 2013 and 2012 was \$9,146 and \$10,153, respectively.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support, unless the donor has restricted the donated asset to a specific purpose or for use for a specified period of time. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, UCP reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. UCP reclassifies temporarily restricted net assets to unrestricted net assets at that time. If the donor has stipulated a time restriction, the expiration of this restriction is reported as the related asset is depreciated.

i. Contributions and Revenue Recognition

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Contributions and Revenue Recognition (Continued)

restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reporting as unrestricted support.

j. Compensated Absences

Full-time staff employees are entitled to paid vacations after one full year of employment. Vacations must be taken within the twelve months following the anniversary date of employment. Vacation time not used by this time will be forfeited and cannot be carried forward from year to year except with written approval. No more than two weeks can be accrued unless approved by the board of directors. Employees will be paid for unused vacation leave only upon termination and only for one year's accumulation. The total amount of accrued vacation leave as reported in accrued payroll and related liabilities on the Statement of Financial Position was \$14,718 and \$25,897 as of June 30, 2013 and 2012, respectively.

Sick leave accrues at one day for each month worked. An employee may accumulate sick leave not to exceed six months of leave. In no instance shall salary be paid in lieu of sick days unused, nor shall any employee receive wages for sick leave at termination.

k. Allocated Expenses

The costs of providing the programs and other activities are summarized in the Statement of Functional Expenses. Certain expenses have been allocated among the programs and supporting services based on management's estimates of the costs involved.

l. Income Taxes

United Cerebral Palsy of Greater New Orleans, Inc. is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S.47:121(5). UCP is not subject to Federal income tax unless the organization has unrelated trade or business income.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Income Taxes (Continued)

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. Tax years ended June 30, 2010 and later remain subject to examination by taxing authorities. As of June 30, 2013, management of UCP believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

m. Reclassifications

Investments in a pooled investment account managed by Greater New Orleans Foundation ("GNOF ") were determined to be more appropriately classified as Level 2 of the fair value hierarchy based on the observable nature of its underlying assets. Accordingly, the June 30, 2012 balance was reclassified to conform to the current year presentation.

Certain amounts in the 2012 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2013 financial statements. There was no affect on the net assets.

n. New Accounting Pronouncement

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The amendments change the wording used to describe many of the requirements in U.S. generally accepted accounting principles ("GAAP") for measuring fair value and for disclosing information about fair value measurements, as well as clarify the application of existing fair value measurement requirements. ASU 2011-04 expands certain qualitative and quantitative disclosure requirements under ASC 820, particularly for Level 3 inputs. UCP's adoption of ASU 2011-04 did not impact its net assets or changes in net assets.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Subsequent events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 18, 2013, which is the date the financial statements were available to be issued.

Note 3 - PROMISES TO GIVE

Unconditional promises to give consist of the following:

	June 30,	
	<u>2013</u>	<u>2012</u>
United Way	<u>\$ 17,827</u>	<u>\$ 16,264</u>
Gross unconditional promises to give	17,827	16,264
Less allowance for uncollectible promises to give	<u>-</u>	<u>-</u>
Net unconditional promises to give	<u>\$ 17,827</u>	<u>\$ 16,264</u>
	June 30,	
	<u>2013</u>	<u>2012</u>
Amounts due in :		
Less than one year	\$ 17,827	\$ 16,264
One to five years	<u>-</u>	<u>-</u>
Totals	<u>\$ 17,827</u>	<u>\$ 16,264</u>

Note 4 - PROPERTY AND EQUIPMENT

As of June 30, 2013 and 2012, the cost and accumulated depreciation were as follows:

	<u>2013</u>	<u>2012</u>
Furniture and equipment	\$ 68,232	\$ 73,194
Less accumulated depreciation	<u>(45,417)</u>	<u>(51,437)</u>
Net property and equipment	<u>\$ 22,815</u>	<u>\$ 21,757</u>

Note 5 - CAPITAL LEASE OBLIGATIONS

UCP acquired a copier and computer equipment under capital leases. The equipment under capital lease obligations is included in equipment on the accompanying Statements of Financial Position, and the related amortization is included in depreciation expense on the accompanying Statement of Functional Expenses. The net book value of assets acquired through a capital lease is as follows:

	<u>2013</u>	<u>2012</u>
Cost	\$ 27,038	\$ 41,840
Accumulated depreciation	<u>(4,605)</u>	<u>(23,873)</u>
Net book value	<u>\$ 22,433</u>	<u>\$ 17,967</u>

Future minimum lease payments under the capital leases as of June 30, 2013 are as follows:

2014	\$ 8,885
2015	7,646
2016	6,408
2017	6,408
2018	<u>2,670</u>
Total minimum lease payments	32,017
Less amounts representing interest	<u>4,019</u>
Capital lease obligation	<u>\$ 27,998</u>

Note 6 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that UCP has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation of other means.

If the asset or liability has a specified (contractual) term, the Level 2 must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments held in pooled accounts managed by Greater New Orleans Foundation are included in Level 2 of the fair value hierarchy as the investment pool is valued using the net asset value as reported by the custodian. The net asset values are determined based on the fair values of the underlying investments. The custodian of this portfolio uses independent pricing services, where available, to value the securities included in this portfolio. If an independent pricing service does not value a security or the value is not, in the view of the custodian, representative of the market value, the custodian will attempt to obtain a price quote from a secondary pricing source, which may include third party brokers, investment

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

advisers, and principal market makers or affiliated pricing services. If a secondary source is unable to provide a price, the custodian may obtain a quotation from the counterparty that sold the security.

This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while UCP believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of June 30, 2013 and 2012, assets measured at fair value on a recurring basis are comprised of and determined as follows:

Description	Fair Value At June 30, 2013	Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Pooled accounts managed by Greater New Orleans Foundation	<u>\$ 45,877</u>	<u>\$ -</u>	<u>\$ 45,877</u>	<u>\$ -</u>

Description	Fair Value At June 30, 2012	Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Pooled accounts managed by Greater New Orleans Foundation	<u>\$ 43,645</u>	<u>\$ -</u>	<u>\$ 43,645</u>	<u>\$ -</u>

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments measured at fair value based on NAV per share as of June 30, 2013 and 2012, respectfully.

<u>June 30, 2013</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Pooled accounts managed by Greater New Orleans Foundation	\$45,977	N/A	Daily	None
<u>June 30, 2012</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Pooled accounts managed by Greater New Orleans Foundation	\$43,645	N/A	Daily	None

As of June 30, 2013 and 2012, there were no assets measured at fair values on a non-recurring basis.

Note 7 - BANK LINE OF CREDIT

UCP has available a line of credit up to \$50,000 with a local financial institution at a variable interest rate (6.25% as of June 30, 2013 and 7.25% as of June 30, 2012). The line of credit is secured with contract fees receivables and expires on December 13, 2014. As of June 30, 2013 and 2012, the balances outstanding under this line of credit were \$36,649 and \$37,209, respectively. The line of credit was required by the State of Louisiana Department of Health and Hospitals.

UCP recognized \$2,491 and \$2,469 of interest expense on the line of credit for the years ended June 30, 2013 and 2012, respectively.

Note 8 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are restricted by donors for specific purposes or for use in subsequent periods. As of June 30, 2013 and 2012, temporarily restricted net assets consisted of unconditional promises to give from the United Way of \$17,155 and \$16,264, respectively.

Permanently restricted net assets are assets comprised of amounts received from donors with stipulations that the principal be maintained in perpetuity. Investment income will be used to support the Spasticity Clinic. In 2003, UCP established an endowment fund through GNOF for this purpose. Funds held by GNOF are invested in a pooled investment arrangement. Distributions from this fund began in fiscal year 2004 and are anticipated annually based on earnings by the fund during the year. Distributions received will be restricted for the Spasticity Clinic. Distributions of \$1,712 and \$1,608, respectively, were received for the Spasticity Clinic during the years ended June 30, 2013 and 2012.

Note 9 - DONOR DESIGNATED ENDOWMENT

The Endowments. UCP's endowment fund consists of a permanently restricted fund established primarily for the purpose of generating income to support the Spasticity Clinic. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law. UCP has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as expressly requiring the preservation of the historical dollar value for donor restricted endowment funds absent explicit donor stipulations to the contrary.

The following are classified as permanently restricted net assets in the accompanying financial statements.

- the original value of gifts donated to the permanent endowment;
- the original value of subsequent gifts to the permanent endowment; and
- accumulations to the permanent endowment, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Note 9 - DONOR DESIGNATED ENDOWMENT (Continued)

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by UCP in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, UCP considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the fund
- the purposes of UCP and the donor-restricted endowment fund
- general economic conditions
- the possible effect of inflation and deflation
- the expected total return from income and the appreciation of investments
- other resources of UCP
- the investment policies of UCP

Endowment net asset composition as of June 30, 2013 and 2012 is as follows:

2013			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Donor-restricted endowment funds	<u>\$ 15,977</u>	<u>\$ -</u>	<u>\$ 30,000</u>
			<u>\$ 45,977</u>
2012			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Donor-restricted endowment funds	<u>\$ 13,645</u>	<u>\$ -</u>	<u>\$ 30,000</u>
			<u>\$ 43,645</u>

Note 9 - DONOR DESIGNATED ENDOWMENT (Continued)

Changes in endowment net assets for the years ended June 30, 2013 and 2012 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Net assets as of June 30, 2011	\$ 14,208	\$ -	\$ 30,000	\$ 44,208
Contributions				-
Investment return:				
Investment income, net	292			292
Net appreciation, realized and unrealized	753			753
Net asset releases	<u>(1,608)</u>	<u> </u>	<u> </u>	<u>(1,608)</u>
Net assets as of June 30, 2012	13,645	-	30,000	43,645
Contributions				-
Investment return:				
Investment income, net	898			898
Net appreciation, realized and unrealized	3,146			3,146
Net asset releases	<u>(1,712)</u>	<u> </u>	<u> </u>	<u>(1,712)</u>
Net assets as of June 30, 2013	<u>\$ 15,977</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 45,977</u>

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or UPMIFA requires the UCP to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations that occur after the investment of permanently restricted contributions. There were no such deficiencies of this nature as of June 30, 2013 and 2012.

Return Objectives and Risk Parameters. Management has adopted investment and spending policies for endowment assets that preserve the real purchasing power of the principal and provide a stable source of perpetual financial support. Under these policies, the endowment is invested with the intention of obtaining general market returns with a minimum amount of investment and management expenses and minimum risk.

Note 9 - DONOR DESIGNATED ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives. The investment funds are in a pooled account managed by GNOF. An allocation in each investment type has not been determined by the Board of Directors.

Spending Policy and How Investment Objectives Relate to the Spending Policy. Management's policy for appropriating funds for annual expenditures is approximately 5% of the endowment fund's average value. This policy is consistent with the management's long-term objective to preserve the real purchasing power of the principal and provide a stable source of perpetual financial support.

Note 10 - CONCENTRATIONS OF CREDIT RISK

UCP maintained its cash balances in a financial institution where they are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2013. As of June 30, 2013 and 2012, there were no uninsured deposits.

Note 11 - THIRD PARTY REIMBURSEMENTS

UCP has agreements with Medicare and Medicaid fiscal intermediaries to provide home health services to qualified patients. For the years June 30, 2013 and 2012, approximately \$1,627,000 and \$1,781,000, respectively, of program service fees were received from the State of Louisiana Department of Health and Hospitals acting as a Medicare and Medicaid fiscal intermediary. As reflected in the accompanying financial statements, Medicare and Medicaid accounts for approximately 93% and 94% of total revenue and support for both years ended June 30, 2013 and 2012, respectfully.

The State provides annual contracts to UCP which grant the State the right to audit program accounts and activities. The State, acting as the Medicare and Medicaid intermediary for Medicare and Medicaid patients, reimburses services rendered to Medicare and Medicaid program beneficiaries under an allowable cost reimbursement formula that is subject to audit and retroactive adjustments. Management believes that UCP is in compliance with the provisions of these contracts and grants.

Note 12 - EMPLOYEE BENEFIT PLAN PENSION PLAN

UCP has a defined contribution plan (the "Plan") covering substantially all employees who have one year of service and are age twenty-one or older. Eligible employees may make salary deferral contributions pursuant to Section 401(k) of the Internal Revenue Code. The Plan allows discretionary matching contributions and profit-sharing contributions to be made by UCP. UCP did not make any matching or profit-sharing contributions for the years ended June 30, 2013 and 2012.

Note 13 - LEASE COMMITMENT

UCP has a one-year operating lease for the rental of office and workshop space. The lease expires May 31, 2014 and provides for monthly payments of \$4,958.

Rent expense was \$62,079 and \$70,990 for the years ended June 30, 2013 and 2012, respectively. Minimum future obligations on the lease as of June 30, 2013 are \$54,538 through May 2014.

Note 14 - RELATED PARTY TRANSACTIONS

UCP is affiliated with the national organization, United Cerebral Palsy, and pays an annual membership fee. For the years ended June 30, 2013 and 2012, the fee was \$23,640 and \$23,817, respectively. United Cerebral Palsy provides services to UCP in the capacity of advisor, supporter, and partner in serving the local community. For both years ended June 30, 2013 and 2012, the balance due to United Cerebral Palsy was \$3,940.

UCP has contracted with a grounds maintenance company for services in connection with work projects received from the State of Louisiana supporting the employment of UCP constituents in the UCP Adult Program. The owner of the grounds maintenance company is a related party due to the relationship with the executive director of UCP. For the years ended June 30, 2013 and 2012, payments to the grounds maintenance company were \$21,000 and \$19,450, respectfully.

Note 15 - UNRELATED BUSINESS INCOME

Revenue from certain projects is considered unrelated business income of a nonprofit organization by the Internal Revenue Service. Any net operating profits derived from such projects are subject to Federal unrelated business income tax.

UCP sponsors bingo and pull tab games of which certain proceeds are subject to unrelated business income tax. This income is reported as unrelated business income in UCP's Exempt Organization Business Income Tax Return (Form 990T). For the years ended June 30, 2013 and 2012, UCP reported net taxable income from its unrelated business income activities of approximately \$12,000 and \$1,000, respectfully.

Note 16 - CONTINGENCIES

UCP is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disaster; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the years ended June 30, 2013 and 2012.

During the fiscal year ended June 30, 2005, an audit was conducted by the State of Louisiana Department of Health and Hospitals for the period November 1, 2002 through January 31, 2003 and March 1, 2005 through May 31, 2005 as a provider history review and November 1, 2001 through November 1, 2003 as a scientific sample. The audit concluded that UCP billed and subsequently was paid approximately \$350,000 of supervised independent living and personal care attendant services which had undocumented progress notes in the records maintained by UCP. The State of Louisiana Department of Health and Hospitals is seeking reimbursement for the \$350,000 and approximately \$50,000 of interest. During 2012, an administrative law judge heard UCP's appeal and ruled in favor of the State of Louisiana Department of Health and Hospitals.

On November 13, 2012, UPC exercised its statutory right to appeal this decision by initiating civil suit against the State of Louisiana Department of Health and Hospitals in the 19th Judicial District Court for the Parish of East Baton Rouge. The appeal is still pending as of the report date. On February 22, 2013, the 19th Judicial District Court for the Parish of East Baton Rouge issued a stay ordering that the State of Louisiana Department of Health and Hospitals refrain from all efforts to recoup or otherwise sanction UCP by reason of matters that are under review.

UCP's legal counsel has stated that he cannot predict the outcome of the litigation, but is confident of UCP prevailing in the judicial appeal.

Note 16 - CONTINGENCIES (Continued)

Management believes that any potential liability resulting from the State of Louisiana Department of Health and Hospital's audit will be significantly less than the \$400,000 or eliminated completely. UCP has recorded no accrual for the potential loss as of June 30, 2013 and 2012 based on the information available. The final outcome of the audit could have a material impact on the operations of UCP and could potentially compromise its ability to continue as a going concern.

SUPPLEMENTAL INFORMATION

SCHEDULE OF INCOME AND EXPENSES BY PROGRAM**United Cerebral Palsy of Greater New Orleans, Inc.**
Kenner, LouisianaFor the year ended June 30, 2013
(Unaudited)

	Program Services				Supporting Services			
	Adult Program	Children's Program	Supported Living Services	Totals	Fundraising and Management and General	Administrative Services Restricted	Totals	Totals
Revenues and Support								
United Way funding - designations	\$ 12,000			\$ 12,000	\$ 5,155		\$ 5,155	\$ 17,155
Board generated self-support					1,406		1,406	1,406
Client generated self-support	88,069		\$ 1,602,742	1,690,811			-	1,690,811
Other income	-			-	19,219	\$ 22,781	42,000	42,000
Support services allocated revenue	6,070		42,491	48,561	(25,780)	(22,781)	(48,561)	-
Total revenues and support	106,139	-	1,645,233	1,751,372	-	-	-	1,751,372
Expenses								
Total compensation	38,390		1,217,582	1,255,972		241,528	241,528	1,497,500
Occupancy and related expenses	13,807		56,943	70,750		23,436	23,436	94,186
Travel and meetings	-		4,316	4,316		5,384	5,384	9,700
Other direct program expenses	38,702		27,619	66,321		64,421	64,421	130,742
Allocation of support services	41,846		292,923	334,769		(334,769)	(334,769)	-
Total expense before non-cash expenses	132,745	-	1,599,383	1,732,128	-	-	-	1,732,128
Total	(26,607)	-	45,851	19,244	-	-	-	19,244
Non-Cash Expense								
Depreciation expense	4,240	-	3,456	7,696	-	1,450	1,450	9,146
Increase (decrease) in net assets	\$ (30,847)	\$ -	\$ 42,395	\$ 11,548	\$ -	\$ (1,450)	\$ (1,450)	\$ 10,098

SCHEDULE OF INCOME AND EXPENSES BY PROGRAM**United Cerebral Palsy of Greater New Orleans, Inc.**
Kenner, LouisianaFor the year ended June 30, 2012
(Unaudited)

	Program Services				Supporting Services			
	Adult Program	Children's Program	Supported Living Services	Totals	Fundraising and Management and General	Administrative Services Restricted	Totals	Totals
Revenues and Support								
United Way funding - designations	\$ 12,000			12,000	\$ 4,504		\$ 4,504	\$ 16,504
Board generated self-support				-	3,750		3,750	3,750
Client generated self-support	97,137		\$ 1,741,975	1,839,112			-	1,839,112
Other income	-			-	16,158	\$ 20,855	37,013	37,013
Support services allocated revenue	5,658		39,609	45,267	(24,412)	(20,855)	(45,267)	-
Total revenues and support	114,795	-	1,781,584	1,896,379	-	-	-	1,896,379
Expenses								
Total compensation	42,832		1,331,279	1,374,111	-	267,947	267,947	1,642,058
Occupancy and related expenses	13,489		55,600	69,089	-	32,557	32,557	101,646
Travel and meetings	-		10,732	10,732	-	2,656	2,656	13,388
Other direct program expenses	37,582		37,646	75,228	-	82,071	82,071	157,299
Allocation of support services	51,180		358,258	409,438		(385,231)	(385,231)	24,207
Total expense before non-cash expenses	145,083	-	1,793,515	1,938,598	-	-	-	1,938,598
Total	(30,288)	-	(11,931)	(42,219)	-	-	-	(42,219)
Non-Cash Expense								
Depreciation expense	1,493	-	5,919	7,412		2,741	2,741	10,153
Increase (decrease) in net assets	\$ (31,781)	\$ -	\$ (17,850)	\$ (49,631)	\$ -	\$ (2,741)	\$ (2,741)	\$ (52,372)

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
United Cerebral Palsy of Greater New Orleans, Inc.,
Kenner, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of United Cerebral Palsy of Greater New Orleans, Inc. ("UCP") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UCP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UCP's internal control. Accordingly, we do not express an opinion on the effectiveness of the UCP's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UCP's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the UCP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, other state agencies, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 18, 2013.

SCHEDULE OF FINDINGS AND RESPONSES

United Cerebral Palsy of Greater New Orleans, Inc. Kenner, Louisiana

For the year ended June 30, 2013

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) Federal Awards

UCP did not receive federal awards in excess of \$500,000 during the year ended June 30, 2013 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings noted during the audit of the year ended June 30, 2013 related to internal control over financial reporting.

(Continued)

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Compliance and Other Matters

There were no findings noted during the audit of the year ended June 30, 2013 related to compliance and other matters.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

United Cerebral Palsy of Greater New Orleans, Inc. Kenner, Louisiana

For the year ended June 30, 2013

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

12-01 Preparation of Financial Statements and Disclosures

Recommendation - Management and those charged with governance can mitigate the lack of qualifications and expertise in preparing financial statements by carefully reviewing the financial statements, including disclosures

Current Status - Resolved. Management has reviewed audited financial statements and related disclosures with the auditors along with the disclosure checklist.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2012.

Section II - Internal Control and Compliance Material to Federal Awards

United Cerebral Palsy of Greater New Orleans, Inc. did not receive federal awards in excess of \$500,000 during the year ended June 30, 2012 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2012.

MANAGEMENT'S CORRECTIVE ACTION PLAN

United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana

For the year ended June 30, 2013

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of financial statements for the fiscal year ended June 30, 2013.

No significant deficiencies were noted during the audit of the financial statements for the fiscal year ended June 30, 2013.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2013.

Section II - Internal Control and Compliance Material to Federal Awards

United Cerebral Palsy of Greater New Orleans, Inc. did not receive federal awards in excess of \$500,000 during the year ended June 30, 2013 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2013.